



R_{RFQ} Summary

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Selected vendor(s) were notified

RFQ ID RFQ309298		Reference # RFQ08000033	
RFQ Title Performance Audit Schools & Libraries Committee			
RFQ Status Open		Delivery Days From Date of Award to Date of Completion	
RFQ Issue Date 08/22/2008 09:10:27 AM EDT		RFQ Close Date 09/03/2008 03:00:00 PM EDT	
Line Items			
Mfr. part No/NSN/Item	Manufacturer	Product/Service Name	Qty Unit Ship Address
USAC	Audit	Performance Audit Schools & Libraries	1 LO 1
Description The Office of Inspector General (OIG), Federal Communications Commission (FCC), is requesting quotes for an independent performance audit of the functioning of the Schools and Libraries Committee of the Board of Directors for the Universal Service Administrative Company (USAC), the administrator of the Universal Service Fund (USF). The performance audit is to be conducted in accordance with Government Auditing Standards, January 2007 Revision (GAO-07-162G).			
Attached Documents: Quotation Cover.doc RFQ SUBMISSION REQUIREMENTS - 8.19.08.doc PWS for USAC Board of Directors - Schools Libraries Past Performance Contact Information Sheet OIG.doc			
Shipping Address (1) FCC: Federal Communications Commission 445 12TH STREET, SW A 1462 Washington, DC 20554 <i>Individual Receiving Shipment</i> SHELVIA N. ARMSTRONG 202-418-1439 SHELVIA.ARMSTRONG@FCC.GOV			

Performance Audit¹ Schools and Libraries Committee of the Board of Directors for the
Universal Service Administrative Company (USAC)

**Quotation Cover Page
for
Performance Audit¹
Schools and Libraries Committee
of the Board of Directors for the
Universal Service Administrative Company (USAC)**

Company Name:

**Name, Title, Email Address and Phone Number of Company Representative for
GSA Orders:**

Payment Terms:

GSA Schedule Number and expiration date:

**Please check business size: () Large () Small () Minority () Women-
owned**

TIN:

DUNS:

NAICS:

Product Service Code (PSC):

Complete Mailing Address:

Other Pertinent Information:

Offer Acceptance Period (no less than 60 days from due date of proposal):

¹ Performance audits are defined in the July 2007 revision of Government Auditing Standards as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices.

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Name, Title, Email Address and Phone Number of Person Authorized to Sign Offer:

Signature:

Date:

RFQ SUBMISSION REQUIREMENTS**Performance Audit¹
Schools and Libraries Committee
of the Board of Directors for the
Universal Service Administrative Company (USAC)**

The technical quote **shall not exceed twenty (20) pages**, excluding table of contents, cover sheet, resumes, price information and past performance attachment. A page is defined as one side of an 8½" x 11" sheet of white, un-textured paper, single-spaced, with at least one inch margins on all sides, using not smaller than 10 characters per linear inch or be smaller than twelve (10) point, and shall not exceed six (6) lines per vertical inch. However, any charts, graphics and/or past performance information sheets may be in 10 point font. Information may be submitted on single or double-sided sheets, but shall not exceed this page limitation.

The quote shall be provided electronically, (via electronic mail attachment) and formatted for personal computers using Microsoft software and or Acrobat. **Offerors shall complete and submit the Quotation Cover Page and the Past Performance Contact Information Sheet.**

Evaluation Methodology: Source Selection will be based on best value. All non-price factors are significantly more important than price.

Evaluation Criteria:

Factor 1 – Technical Capability**Sub-factor 1A – Specific Technical Approach:
(Not-to-Exceed 10-pages)**

Describe your firm's ability to perform audits overall and specific technical approach along with your understanding of the specific issues and risks relating to each of the separate tasks.

Describe in terms of estimates of time by labor category and labor hours your firm's ability to complete the four phases of the audit (planning, internal control, testing, and reporting). (Note: the labor hours must be the same provided in the separate cost proposal.)

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Sub-factor 1B – Qualifications of Staff**(Not-to-Exceed 5-pages; excluding resumes)**

Offerors will be evaluated on their ability to immediately provide staff that are experienced, qualified, and trained and who have the appropriate levels of security clearances (if necessary). Consideration should be given to providing staff that has demonstrated experience in performing audits in the areas considered essential for this task order and experience performing audits of professional service costs for allowability under the Federal Acquisition Regulation.

For the reporting entity to be audited under this task order, please provide a schedule of all staff that would in fact be assigned to the audit and include the information listed below:

1. Name.
2. Labor Category.
3. Whether the person will be a key person on this task.
4. Professional Certifications (CPA, CGFM, CISA, etc.) and advanced degrees.
5. Total years of experience performing audits in accordance with Generally Accepted Auditing Standards (GAGAS) and other professional auditing standards.
6. Total years employed by the offeror.
7. Current security clearance level, date of clearance, and agency granting clearance.
8. Number of years and brief description of audit experience in the last three (3) years in the areas considered essential to this task order (see Statement of Work).

Individual resumes will not be accepted in lieu of this schedule. However, for each individual proposed, a one (1)-page summary of additional relevant experience may be submitted for consideration.

Sub-factor 1C - Independence and Quality Control**(Not-to-Exceed 5-pages)**

The contractor must provide information regarding its independence with respect to the reporting entity/reporting entities and its quality control procedures. Each of the following items must be addressed, including negative responses:

- A statement that the firm is independent with respect to the reporting entity/each of the reporting entities.
- All work, including non-audit services, with the reporting entity/each of the reporting entities in the past two (2) years (including the type of services provided, the period covered, and the results). In addition, the contractor shall

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briefly describe all services for which the contractor is planning to perform or has proposed to perform for the reporting entity/these reporting entities.

- Any lawsuits with the reporting entity/these reporting entities.
- Any relationships with the reporting entity/entities that could impair independence.
- Description of the firm's current internal quality control system, including such items as working paper review procedures, staff independence requirements, and continuing professional education requirements.
- A copy of the contractor's most recent peer review report, related letter of comments, and the contractor's response to those comments. If the peer review report is more than one (1) year old, the contractor must also discuss the results of the contractor's most recent internal inspection program or equivalent. This discussion shall include the date of the report, the period of the report, and the opinion.

Factor 2 – Past Performance

Using the Past Performance Contact Information Sheet, list up to three (3) comparable efforts performed during the last three years. The Government may also consider information obtained through other sources. Past performance information will be utilized to determine the quality of the contractor's past performance.

Factor 3 – Price

The factors for past performance and relevant experience, technical approach, and staff qualifications are significantly more important than cost/price. While cost/price is a substantial factor and will be considered in the evaluation and selection for award, cost/price is less important than the other factors. Cost/price will not be point scored or otherwise rated. Cost/price will be considered and evaluated in determining the overall best value and interest to the Government.

The Offeror's Technical and Cost Proposal must demonstrate a clear understanding of the nature and scope of the work required. Failure to provide a realistic, reasonable and complete Technical and Cost Proposal may reflect a lack of understanding of the Statement of Work requirements and may result in a determination that the Offeror is technically unacceptable. Generally speaking, "generic" information may score lower than information "well tailored" to the selection factors.

Offerors are highly encouraged to discount their labor rates.

Performance Work Statement**Performance Audit¹
Schools and Libraries Committee
of the Board of Directors for the
Universal Service Administrative Company (USAC)****INTRODUCTION**

The Federal Communications Commission (FCC) is an independent United States government agency, directly responsible to Congress. The FCC was established by the Communications Act of 1934 and is charged with regulating interstate and international communications by radio, television, wire, satellite and cable. The FCC's jurisdiction covers the 50 states, the District of Columbia, and U.S. possessions.

The Office of Inspector General (OIG), Federal Communications Commission (FCC), is requesting quotes for an independent performance audit of the functioning of the Schools and Libraries Committee of the Board of Directors for the Universal Service Administrative Company (USAC), the administrator of the Universal Service Fund (USF). The performance audit is to be conducted in accordance with *Government Auditing Standards*, January 2007 Revision (GAO-07-162G).

BACKGROUND

The functions of the Schools and Libraries Committee are prescribed in Title 47 of the Code of Federal Regulations (CFR), Part 54 – Universal Service, Section 705 – Committees of the Administrators Board of Directors.

The Committee oversees the administration of the schools and libraries support mechanism by the Schools and Libraries Division of USAC. The Committee has the authority to make decisions concerning:

- How the Administrator projects demand for the schools and libraries support mechanism;

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- Development of applications and associated instructions as needed for the schools and libraries support mechanism;
- Administration of the application process, including activities to ensure compliance with Federal Communications Commission rules and regulations;
- Performance of outreach and education functions;
- Review of bills for services that are submitted by schools and libraries;
- Monitoring demand for the purpose of determining when the \$2 billion trigger has been reached;
- Implementation of the rules of priority in accordance with Sec. 54.507(g) of this chapter;
- Review and certification of technology plans when a state agency has indicated that it will not be able to review such plans within a reasonable time;
- The classification of schools and libraries as urban or rural and the use of the discount matrix established in Sec. 54.505(c) of this chapter to set the discount rate to be applied to services purchased by eligible schools and libraries;
- Performance of audits of beneficiaries under the schools and libraries support mechanism; and
- Development and implementation of other functions unique to the schools and libraries support mechanism.

OBJECTIVES AND SCOPE

The objectives of this performance audit, to be conducted in accordance with *Government Auditing Standards*, January 2007 Revision (GAO-07-162G), are to:

- Assess the effectiveness of the Committee in overseeing the schools and libraries support mechanism.
- Assess the management controls that have been established by the Committee for its oversight of this mechanism. Management controls include the plans, policies, methods and procedures used to meet the goals and objectives established by the Committee. This also includes the system for measuring, reporting, and monitoring the Administrator's performance.
- Assess the utility (e.g., reliability, validity, relevance) of the performance measures and financial information reported by the Administrator to the Committee for its use in oversight of the Administrator.
- Report on the initiatives taken by the Committee, under its decision making authority, to (i) ensure compliance with Federal Communications Commission rules and regulations and (ii) audit beneficiaries under the schools and libraries support mechanisms.
- Identify opportunities for improving the effectiveness of the Committee and its management controls.

GUIDES AND REFERENCES

- Title 47 of the Code of Federal Regulations (CFR), Part 54 – Universal Service.
- *Government Auditing Standards*, January 2007 Revision (GAO-07-162G).

CONTRACTING OFFICERS TECHNICAL REPRESENTATIVE (COTR)

A Contracting Officer's Technical Representative (COTR) will be appointed. The COTR will be responsible for oversight, monitoring day-to-day progress, and providing a liaison to support Contracting Officer and other FCC personnel. In no event shall any understanding, agreement, modification, change order or other matter deviating from the terms and conditions of the contract be effective or binding upon the FCC unless authorized by a modification document executed by the Contracting Officer prior to completion of the contract.

The Contracting Officer shall be informed as soon as possible of any actions or inactions by the Contractor or the FCC which may affect the required delivery, completion times, or price stated in this contract, so that the contract may be modified if necessary. The COTR is **not** authorized to direct any action that results in a change in scope, price, terms, or conditions of the contract.

DELIVERABLES

During the performance of the contract, the contractor shall deliver the following:

- A list of key personnel who will be working on the contract will be delivered to the Contracting Officer within 5 business days of contract execution (key personnel may not be substituted without the CO's approval).
- An initial meeting with the COTR within 10 business days of contract execution.
- A project plan detailing the specific steps to be taken to accomplish the objectives described in this Statement of Work will be delivered to the COTR within 20 business days of contract execution. The plan shall include milestones, their estimated completion dates, and the final project completion date. In addition to scheduled milestones, the work plan will identify the persons responsible for accomplishing each scheduled milestone. The work plan shall be submitted to the Contracting Officers Technical Representative (COTR) for review and approval.

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- An audit plan/program, detailing specific audit procedures to be performed, shall be submitted to the COTR for review and approval. The audit plan will be delivered to the COTR no later than 30 business days after contract execution.
- A monthly status report shall be submitted to the COTR no later than the last business day of each month. The report should include current status, a comparison of actual with planned accomplishments, milestones completed, deviations from schedule, the percentage of project completion, and any factors that might, or are, adversely affecting the timeliness or quality of work. The report should also include a narrative discussing any potential findings identified. The contractor should consult with the COTR on the format of the report. Updated project plans should be provided as needed.
- A semimonthly status meeting will be scheduled with the COTR to discuss project status. The contractor's senior manager for the contract is expected to attend the status meetings. The contractor shall prepare a written agenda for each meeting. The contractor will meet with the COTR more often if requested by the COTR.
- A listing of all contractor personnel working on the project shall be updated each month and provided to the COTR on the last business day of each month.
- The contractor shall meet with other FCC OIG personnel, including the Directors of Contract, Financial, and IS Audit; Assistant Inspector General for Audit; and the Inspector General as requested to facilitate completion of the project.
- An entrance conference and an exit conference shall be scheduled and conducted by the contractor. The contractor shall also schedule and conduct interim conferences as needed or as requested by the COTR.
- A draft written report on the results of the audit shall be provided. The report shall include an executive summary, background information, criteria, detailed information on specific findings, and recommendations for improvement. The audit report shall comply with GAO *Government Auditing Standards*, January 2007 Revision (GAO-07-162G). The draft report shall be referenced to supporting working papers. The supporting working papers shall be submitted together with the draft report. The draft report and supporting working papers will be delivered to the COTR who will review them and determine whether they are acceptable. Before the contractor will be paid, all draft reports shall be grammatically correct and free of misspellings, syntax errors, errors in logic, or substantive errors. The contractor should consult with the COTR on the format of the report. The due date for each draft report will be established in the project plan accepted by the COTR.
- A final written report that incorporates the auditee's written responses to the draft report and any necessary revisions shall also be delivered to the COTR. The final report,

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referenced to supporting working papers, shall be delivered to the COTR within 20 business days of the receipt of the auditee's written response to the draft report or, in the absence of such timely comments, the date the COTR directs the contractor to proceed with the final report. Before the contractor will be paid, all final reports shall be grammatically correct, and free of substantive misspellings, syntax errors, errors in logic, or other substantive errors.

- Working papers that documents all work performed and the execution of the audit program shall be submitted to the COTR with the draft and final reports. The contractor is responsible for preparing, reviewing, and indexing working papers supporting the execution of the audit program and the draft and final audit reports. The working papers shall reflect the collection of sufficient, relevant, competent evidence for conclusions reached and opinions developed. The working papers shall document interviews conducted, written material and other evidence collected and reviewed, the means of assessment and testing (e.g., software tools used), data and information obtained, data used, the analyses and tests applied to the data, the conditions identified as a result of those analyses and tests, the criteria against which the conditions and results were evaluated, and the basis for the recommendations to address the conditions disclosed. Working papers should comply with audit documentation requirements discussed in *Government Auditing Standards*, January 2007 Revision (GAO-07-162G). Working papers will be subject to OIG review in accordance with its quality control procedures and should not be considered complete until given OIG's explicit approval.
- Access to working papers shall be provided to the COTR at any time during contract performance for interim reviews and quality checks by the COTR.
- In summary and as explained above, the contractor shall provide the following deliverables:
 1. A list of key personnel assigned to the project.
 2. An initial meeting with the COTR.
 3. A project plan.
 4. An audit program.
 5. Entrance, exit, and interim conferences (when required or requested).
 6. Monthly status reports.
 7. Monthly update of the list of personnel working on the contract.
 8. Semimonthly status meetings with the COTR, unless more frequent meetings are requested by the COTR.
 9. A draft report referenced to supporting working papers.
 10. A final report referenced to supporting working papers.
 11. Working papers documenting the work performed.

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The Contractor shall provide deliverables to the COTR at 445 12th Street, SW; Washington, DC 20554. The COTR will review each deliverable and provide any comments to the Contractor within 15 business days unless otherwise negotiated. The Contractor shall incorporate these comments and return to the COTR within 10 business days of receipt unless otherwise negotiated.

All deliverables, including working papers, shall become the property of the Office of Inspector General, Federal Communications Commission, and shall not be released to any party outside the Commission without the permission of a senior member of the FCC OIG staff. Each deliverable shall be submitted in hard copy and in an electronic format using Microsoft and Adobe software (e.g., Project, Word, Excel, Access, PowerPoint, and Acrobat).

If any deliverables or material obtained during contract performance is classified as “Non Public – for Internal Use Only,” the contractor will not release any item so classified to any person or entity outside the FCC OIG without the written permission of a senior member of the FCC OIG staff.

During the course of contract performance, any potential fraud, waste, or abuse discovered by the contractor shall immediately be reported to the COTR.

PERIOD OF PERFORMANCE

The period of performance shall be effective from the date of contract execution to a date to be proposed.

LOCATION OF WORK TO BE PERFORMED

It is expected that the work will be performed at the locations of the Committee Members, the Universal Service Administrative Company in Washington, DC, and at FCC facilities in Washington, D.C.

KEY CONTRACTOR PERSONNEL

The Contractor shall identify, in writing, key personnel responsible for performance of the contract. No substitutions are allowed without the Contracting Officer’s approval.

Additionally, the education and experience of a proposed substitute shall be similar to that of the key person to be replaced. Contractor key personnel, as well as personnel performing assessments of Information Technology security and controls must be subjected to the clearance procedures of the FCC Security Office.

SECURITY PROCESSING**General**

(a) All contract personnel are subjected to background investigations for the purpose of suitability determinations. Based on their proposed duties, some contract personnel may also be required to have security clearance determinations. No contract personnel may be assigned to work on the contract without a favorable initial review of the OF 306, *Declaration for Federal Employment* (http://www.opm.gov/forms/pdf_fill/of0306.pdf) or a written waiver from the FCC Security Operations Center (SOC).

(b) Suitability, waiver, and security clearance determination investigations are currently conducted through the FCC Security Operations Center (202- 418-7884). The individual contract employee will be provided with a review process before a final adverse determination is made. The FCC requires that any contract personnel found not suitable, or who has a waiver cancelled, or is denied a security clearance, **be removed by the contractor during the same business day that the determination is made.**

(c) If the contract personnel is re-assigned and the new position is determined to require a higher level of risk suitability than the contract personnel currently holds, the individual may be assigned to such position while the determination is reached by the SOC. A new A-600 shall be necessary for the new position.

(d) Contract personnel working as temporary hires (for ninety (90) days or less) must complete and receive a favorable initial review of the OF 306 and complete the contract personnel section of the FCC Form A-600, "FCC Contractor Record Form." If during the term of their employment they will have access to any FCC network application, they must also complete and sign the FCC Form A-200, "FCC Computer System Application Access Form."

At Time of Contract Award

(a) The FCC Security Operations Center must receive the completed, signed OF 306 for all proposed contractor employees at the time of contract award. Resumes for all personnel proposed for assignment on the contract should be provided to the Security Office prior to the time of in-take processing (see below, 2.3.2). **The FCC Security Operations Center requires up to five (5) working days (from the date they are received) to process the OF 306 before any employee is allowed to begin work on the contract. A written waiver from the SOC may be obtained in special circumstances.**

All contract personnel, regardless of task description, must complete this form. Without an approved, completed OF 306 on file at the SOC, no contractor employee may begin work. An approved OF 306 is one that has passed initial review by the SOC. During the course of the SOC

review of the OF 306, the contract personnel may be interviewed by SOC staff regarding information on their OF 306.

(b) In addition, the Contractor is responsible for submission of completed, signed computer security forms for each employee prior to that person beginning work on the contract (See Appendix No. 3, FCC Instruction 1479.1, FCC Computer Security Program Directive and sample forms.) These forms should be submitted to the FCC Computer Security Office.

(c) The COTR shall begin processing their section of the FCC Contract Personnel Record (FCC Form A-600) at this time. This form, with the COTR and CO portions completed, will be distributed at the time of contract award and must be submitted to the SOC within ten (10) working days.

(d) The Office of Personnel Management (OPM) will issue a Certificate of Investigation (CIN) following the appropriate background investigation. The SOC notifies the CO and COTR and contract personnel who have received a favorable adjudication so they may receive their permanent access credential.

IDENTITY PROOFING, REGISTRATION AND CHECKOUT REQUIREMENTS

Locator and Information Services Tracking (LIST) Registration

The Security Operations Center maintains a Locator and Information Services Tracking (LIST) database, containing contact information for all Commission and contract employee personnel, regardless of work location.

The contract employee's FCC Form A-600, "FCC Contractor Record Form" captures the information for data entry into the LIST system.

Intake Processing

(a) Following the processing of the OF 306 and an initial favorable suitability determination, (unless otherwise waived) the contract personnel shall report to the FCC for identity verification and access badge issuance on their first scheduled workday.

(b) All new contract personnel must be escorted to the SOC by either the CO or COTR responsible for the contract. At this time the contractor personnel must present two forms of identification; one of which must be a picture ID issued by a state, or the Federal, government. The other piece of identification should be the original of one of the following:

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U.S. Passport (unexpired or expired)
Certificate of U.S. Citizenship (Form N-560 or N-561)
Certificate of Naturalization (Form N-550 or N-570)
School ID
Voter's registration card
U.S. Military card
Military dependent's ID card
U.S. Coast Guard Merchant Mariner card
Native American Tribal document
U.S. Social Security card
Certification of Birth Abroad, (Form FS-545 or Form DS-1350)
Original or certified copy of a birth certificate, bearing an official seal

(c) After identity verification, the individual shall complete the Fingerprint Card form, FD 258, the Fair Credit Report Act form, and be photographed and issued the appropriate access badge.

(d) At this time the contract employee will be given one of the following forms, based on the security risk designation for the proposed support classification/position, to complete and return to the SOC within seven (7) business days:

- (i) **Low Risk Positions** - SF 85, Questionnaire for Non-Sensitive Positions
- (ii) **Moderate Risk Positions** - SF 85-P, Questionnaire for Public Trust Positions
- (iii) **High Risk Positions/Secret or Top Secret Security Clearances** – Standard Form (SF) 86, Questionnaire for Sensitive Positions

(e) For any contract employee whose name is provided to the Commission for security investigation at (ii) or (iii) level, who subsequently leaves the subject contract, due to Contractor or contract employee decision, within the first year, the Contractor shall reimburse the Commission for the cost of the investigation. If the contract or task order is scheduled for completion in under one year and the contract employee for whom a security investigation has been done leaves prior to the work being done, the Contractor and SOC shall agree on a pro-rated amount for reimbursement. The cost may range from approximately \$400.00 (moderate risk) to \$3,000.00 (high risk). The Contractor will be provided a copy of the investigation invoice with the reimbursement request.

Monthly Contractor Personnel Reports

The monthly report verifying contract personnel working at the FCC is a crucial element in the agency's compliance with Homeland Security Presidential Directive (HSPD) 12. Accurate and

timely reporting are required as part of the ongoing access control efforts as mandated by HSPD-12 and implementing directives.

(a) The Contractor's Program Manager shall submit a contract personnel list to the SOC on the first working day of each month. This report shall be identified by the contract name and FCC number, and shall list all the contract employees working at the FCC in the immediately previous month.

(b) The report shall highlight or list in some way those individuals who are no longer employed by the Contractor or who are no longer working on the subject contract. As well, any additional contract personnel who have been successfully processed for work on the contract since the previous report shall also be noted.

(c) The report may be delivered electronically in MS Excel format. The covering email should contain a statement of certification of accuracy and should originate with the Contract Program Manager or other Contractor executive personnel. The author of the email shall be considered the signatory.

(d) No later than the 15th of each month, the SOC will notify the Contract Program Manager, the author of the email covering the Monthly report (if different), the COTR and the Contracting Officer if the report is a) received after the first working day of the month, or b) contains errors in the listing. The notification will identify the reason for deficit in the report.

(e) The first instance of either a) or b) above shall result in a Five Hundred Dollar (\$500.00) penalty against the Contractor. The assessed penalty shall increase in Five Hundred Dollar (\$500.00) increments for each subsequent Monthly report received either late or containing errors.

Checkout Processing:

(a) All contract employees no longer employed on the subject contract, or at the termination of the contract, are required to report to the SOC and complete the sign-out portion of the FCC A-600, Contract Personnel Record.

(b) This process verifies the access badge has been returned to the SOC by the contract personnel.

(c) If the checkout processing is not completed by the contract employee, the Contractor shall take action to ensure its accomplishment no later than thirty (30) calendar days after the employee's departure from the FCC.

(d) The Contractor shall be liable to the FCC for an administrative processing charge of \$150.00 (One Hundred Fifty Dollars), for each of their employees who leaves their duty

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assignment at the Commission and fails to complete the checkout processing within thirty (30) calendar days of departure. Mellon Bank, N.A., handles collection and processing of all Commission administrative charges and should payment become necessary, the Contractor will be provided the appropriate directions for an EFT.

(e) The Contractor shall be liable for any actual damages arising from a failure to ensure that the checkout processing occurs within the thirty (30) calendar days of the contract employee's departure from the FCC.

CONTRACT PRICE

This shall be a firm fixed-price contract. There will **not** be a contract provision for reimbursement of any travel or other direct costs incurred in performance of this contract.

PAYMENT

Interim payments will be based on the achievement of milestones. Final payment will be made when the final reports and supporting working papers have been accepted. It is anticipated that interim payments, expressed as a percentage of the firm fixed-price, will be made as follows:

DELIVERABLE	PAYMENT EXPRESSED AS A PERCENTAGE OF THE TOTAL FIRM FIXED PRICE
An initial meeting with the COTR within 10 business days of contract execution.	3%
An acceptable project plan within 20 business days of contract execution.	3%
An acceptable audit program within 30 business days of contract execution.	10%
Delivery of the monthly status report <i>and</i> the monthly update of personnel working on the contract <i>and</i> completion of the semimonthly status meetings with the COTR (unless in the COTR's judgment little or no progress was made during the month).	2% (for each month but not to exceed a cumulative total of 24% of the firm fixed price.)
Completion of a mid-point conference with the COTR during which	10%

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DELIVERABLE		PAYMENT EXPRESSED AS A PERCENTAGE OF THE TOTAL FIRM FIXED PRICE
audit work completed, and to be completed, will be discussed in much detail. In conjunction with this, working papers will be reviewed in detail by the COTR to assess compliance, to date, with Government Auditing Standards.		
Acceptance of the draft report and supporting working papers.		25%
Acceptance of the final report and supporting working papers.		25% (or remainder due if greater)
TOTAL		100%

PERFORMANCE BASED WORK STATEMENT DEDUCTIONS

The Contractor must submit the required deliverables in accordance with the due dates listed in the Deliverables section above and the project plan schedule accepted by the COTR. The COTR will monitor the Contractor's activities and accomplishments and will indicate acceptance or non-acceptance of the deliverables.

The deliverables identified above will be inspected and either approved or, if they are not acceptable, rejected by the COTR. The Contractor may be required to revise such deliverables if they are unacceptable. Such inspections will commence within 3 business days after the COTR receives such deliverables and will normally be completed within 15 business days after the COTR receives the deliverable. Before the contractor will be paid for draft and final reports, they shall be grammatically correct without substantive misspellings, syntax errors, errors in logic, or other substantive errors.

In the event that the Contractor is unable to submit any of such required deliverables in a timely manner (or if the deliverables have been reasonably rejected in a timely manner and have not been revised before the relevant deliverable due date), the following monetary deductions will be applied to the following invoice.

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DELIVERABLE	PERCENTAGE DEDUCTION*	AQL DEVIATION**
An initial meeting with the COTR within 10 business days of contract execution.	5% of invoice deducted for each week late.	No deviation permitted.
An acceptable project plan within 20 business days of contract execution.	5% of invoice deducted for each week late.	No deviation permitted.
An acceptable audit program for each provider within 30 business days of contract execution.	5% of invoice deducted for each week late.	No deviation permitted.
Delivery of the monthly status report <i>and</i> the monthly update of personnel working on the contract <i>and</i> completion of the semimonthly status meetings with the COTR.	5% of invoice deducted for each week late.	No deviation permitted.
Draft report and supporting working papers for each provider on the date scheduled in the initial project plan – or a subsequent revision of the project plan if it was approved by the COTR.	5% of invoice deducted for each week late.	No deviation permitted.
Final report and supporting working papers and other supporting documentation within 20 business days of the receipt of a written response to the draft report from the auditee or, in the absence of such timely comments, the date the COTR directs the contractor to proceed with the final report.	5% of invoice will be deducted for each week late.	No deviation permitted.

*Amount that can be reduced from the invoice charges.

**Acceptable Quality Level – The maximum allowable degree of deviation from the standard for the task which will be permitted by the government before performance is deemed to be unsatisfactory.

The deductions established in this matrix may be reduced or waived by the Contracting Officer by written notice if circumstances beyond the control of the Contractor have materially affected the Contractor's ability to achieve the deliverable deadlines set forth in this document. Such relief shall be granted only in extraordinary circumstances upon a formal application by the Contractor.

**Performance Audit¹ Schools and Libraries Committee of the Board of Directors for the
Universal Service Administrative Company (USAC)**

PAST PERFORMANCE CONTACT INFORMATION SHEET

**Performance Audit¹
Schools and Libraries Committee
of the Board of Directors for the
Universal Service Administrative Company (USAC)**

Offeror Information:

Name of Offeror Providing Services: _____

Address: _____

Past Performance Reference Information:Name of Company/Organization Receiving
Services: _____

Point-of-Contact (i.e., Contracting Officer; COTR; Business Manager; etc)

Address: _____

Telephone: _____ FAX: _____

Contract Information:

Contract Number: _____ Dollar Value (Annual): _____

Performance Period: _____ Performance Location: _____

Type of Contract (Check all that apply):

Fixed Price _____ Cost Reimbursement _____ Other (specify) _____

Negotiated _____ Sealed Bid _____ Competitive _____ Non-Competitive _____

Basis of Payment:

¹ Performance audits are defined in the July 2007 revision of Government Auditing Standards as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices.

Performance Audit¹ Schools and Libraries Committee of the Board of Directors for the
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Labor/Equipment Hours _____ Other (specify) _____

Type & Extent of Subcontracting: _____

Description of Services Provided: _____
